

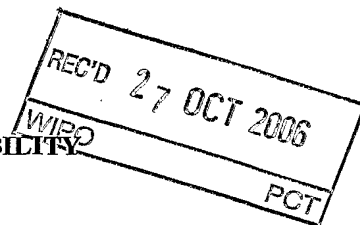
# PATENT COOPERATION TREATY

## PCT

### INTERNATIONAL PRELIMINARY REPORT ON PATENTABILITY

(Chapter II of the Patent Cooperation Treaty)

(PCT Article 36 and Rule 70)



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| Applicant's or agent's file reference<br>2348.013PC01/MBR                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | <b>FOR FURTHER ACTION</b>                                                                                                                                       |                                                                        | See Form PCT/IPEA/416 |                                               |                     |                                     |          |                                      |                                                                                                  |                                     |                            |                                               |                                                                                                                                                                 |                                     |                         |                                      |                                                  |                                       |                                                       |
| International application No.<br>PCT/US05/04135                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | International filing date (day/month/year)<br>09 February 2005 (09.02.2005)                                                                                     | Priority date (day/month/year)<br>09 February 2004 (09.02.2004)        |                       |                                               |                     |                                     |          |                                      |                                                                                                  |                                     |                            |                                               |                                                                                                                                                                 |                                     |                         |                                      |                                                  |                                       |                                                       |
| International Patent Classification (IPC) or national classification and IPC<br>IPC: <b>G06F 17/60</b><br>USPC: 705/38                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |                                                                                                                                                                 |                                                                        |                       |                                               |                     |                                     |          |                                      |                                                                                                  |                                     |                            |                                               |                                                                                                                                                                 |                                     |                         |                                      |                                                  |                                       |                                                       |
| Applicant<br>AMERICAN EXPRESS TRAVEL RELATED SERVICES COMPANY, INC.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |                                                                                                                                                                 |                                                                        |                       |                                               |                     |                                     |          |                                      |                                                                                                  |                                     |                            |                                               |                                                                                                                                                                 |                                     |                         |                                      |                                                  |                                       |                                                       |
| <ol style="list-style-type: none"> <li>1. This report is the international preliminary examination report, established by this International Preliminary Examining Authority under Article 35 and transmitted to the applicant according to Article 36.</li> <li>2. This REPORT consists of a total of <u>3</u> sheets, including this cover sheet.</li> <li>3. This report is also accompanied by ANNEXES, comprising:                         <ol style="list-style-type: none"> <li>a. <input type="checkbox"/> (sent to the applicant and to the International Bureau) a total of ___ sheets, as follows:                                 <div style="margin-left: 20px;"> <input type="checkbox"/> sheets of the description, claims and/or drawings which have been amended and are the basis of this report and/or sheets containing rectifications authorized by this Authority (see Rule 70.16 and Section 607 of the Administrative Instructions).                                     <input type="checkbox"/> sheets which supersede earlier sheets, but which this Authority considers contain an amendment that goes beyond the disclosure in the international application as filed, as indicated in item 4 of Box No. I and the Supplemental Box.                                 </div> </li> <li>b. <input type="checkbox"/> (sent to the International Bureau only) a total of (indicate type and number of electronic carrier(s)) _____, containing a sequence listing and/or tables related thereto, in electronic form only, as indicated in the Supplemental Box Relating to Sequence Listing (see Section 802 of the Administrative Instructions).</li> </ol> </li> <li>4. This report contains indications relating to the following items:                         <table style="margin-left: 20px; border: none;"> <tr> <td><input checked="" type="checkbox"/> Box No. I</td> <td>Basis of the report</td> </tr> <tr> <td><input type="checkbox"/> Box No. II</td> <td>Priority</td> </tr> <tr> <td><input type="checkbox"/> Box No. III</td> <td>Non-establishment of opinion with regard to novelty, inventive step and industrial applicability</td> </tr> <tr> <td><input type="checkbox"/> Box No. IV</td> <td>Lack of unity of invention</td> </tr> <tr> <td><input checked="" type="checkbox"/> Box No. V</td> <td>Reasoned statement under Article 35(2) with regard to novelty, inventive step or industrial applicability; citations and explanations supporting such statement</td> </tr> <tr> <td><input type="checkbox"/> Box No. VI</td> <td>Certain documents cited</td> </tr> <tr> <td><input type="checkbox"/> Box No. VII</td> <td>Certain defects in the international application</td> </tr> <tr> <td><input type="checkbox"/> Box No. VIII</td> <td>Certain observations on the international application</td> </tr> </table> </li> </ol> |                                                                                                                                                                 |                                                                        |                       | <input checked="" type="checkbox"/> Box No. I | Basis of the report | <input type="checkbox"/> Box No. II | Priority | <input type="checkbox"/> Box No. III | Non-establishment of opinion with regard to novelty, inventive step and industrial applicability | <input type="checkbox"/> Box No. IV | Lack of unity of invention | <input checked="" type="checkbox"/> Box No. V | Reasoned statement under Article 35(2) with regard to novelty, inventive step or industrial applicability; citations and explanations supporting such statement | <input type="checkbox"/> Box No. VI | Certain documents cited | <input type="checkbox"/> Box No. VII | Certain defects in the international application | <input type="checkbox"/> Box No. VIII | Certain observations on the international application |
| <input checked="" type="checkbox"/> Box No. I                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | Basis of the report                                                                                                                                             |                                                                        |                       |                                               |                     |                                     |          |                                      |                                                                                                  |                                     |                            |                                               |                                                                                                                                                                 |                                     |                         |                                      |                                                  |                                       |                                                       |
| <input type="checkbox"/> Box No. II                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        | Priority                                                                                                                                                        |                                                                        |                       |                                               |                     |                                     |          |                                      |                                                                                                  |                                     |                            |                                               |                                                                                                                                                                 |                                     |                         |                                      |                                                  |                                       |                                                       |
| <input type="checkbox"/> Box No. III                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | Non-establishment of opinion with regard to novelty, inventive step and industrial applicability                                                                |                                                                        |                       |                                               |                     |                                     |          |                                      |                                                                                                  |                                     |                            |                                               |                                                                                                                                                                 |                                     |                         |                                      |                                                  |                                       |                                                       |
| <input type="checkbox"/> Box No. IV                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        | Lack of unity of invention                                                                                                                                      |                                                                        |                       |                                               |                     |                                     |          |                                      |                                                                                                  |                                     |                            |                                               |                                                                                                                                                                 |                                     |                         |                                      |                                                  |                                       |                                                       |
| <input checked="" type="checkbox"/> Box No. V                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | Reasoned statement under Article 35(2) with regard to novelty, inventive step or industrial applicability; citations and explanations supporting such statement |                                                                        |                       |                                               |                     |                                     |          |                                      |                                                                                                  |                                     |                            |                                               |                                                                                                                                                                 |                                     |                         |                                      |                                                  |                                       |                                                       |
| <input type="checkbox"/> Box No. VI                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        | Certain documents cited                                                                                                                                         |                                                                        |                       |                                               |                     |                                     |          |                                      |                                                                                                  |                                     |                            |                                               |                                                                                                                                                                 |                                     |                         |                                      |                                                  |                                       |                                                       |
| <input type="checkbox"/> Box No. VII                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | Certain defects in the international application                                                                                                                |                                                                        |                       |                                               |                     |                                     |          |                                      |                                                                                                  |                                     |                            |                                               |                                                                                                                                                                 |                                     |                         |                                      |                                                  |                                       |                                                       |
| <input type="checkbox"/> Box No. VIII                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | Certain observations on the international application                                                                                                           |                                                                        |                       |                                               |                     |                                     |          |                                      |                                                                                                  |                                     |                            |                                               |                                                                                                                                                                 |                                     |                         |                                      |                                                  |                                       |                                                       |
| Date of submission of the demand<br>07 September 2005 (07.09.2005)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |                                                                                                                                                                 | Date of completion of this report<br>25 September 2006 (25.09.2006)    |                       |                                               |                     |                                     |          |                                      |                                                                                                  |                                     |                            |                                               |                                                                                                                                                                 |                                     |                         |                                      |                                                  |                                       |                                                       |
| Name and mailing address of the IPEA/ US<br>Mail Stop PCT, Attn: IPEA/US<br>Commissioner for Patents<br>P.O. Box 1450<br>Alexandria, Virginia 22313-1450<br>Facsimile No. (571) 273-3201                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |                                                                                                                                                                 | Authorized officer<br><br>Hyung S. Sough<br>Telephone No. 571-272-3600 |                       |                                               |                     |                                     |          |                                      |                                                                                                  |                                     |                            |                                               |                                                                                                                                                                 |                                     |                         |                                      |                                                  |                                       |                                                       |

# INTERNATIONAL PRELIMINARY REPORT ON PATENTABILITY

International application No.

PCT/US05/04135

## Box No. I Basis of the report

1. With regard to the **language**, this report is based on:

- ☒ the international application in the language in which it was filed.
- ☐ a translation of the international application into \_\_\_\_\_, which is the language of a translation furnished for the purposes of:
- ☐ international search (under Rules 12.3 and 23.1(b))
- ☐ publication of the international application (under Rule 12.4(a))
- ☐ international preliminary examination (under Rules 55.2(a) and/or 55.3(a))

2. With regard to the **elements** of the international application, this report is based on (*replacement sheets which have been furnished to the receiving Office in response to an invitation under Article 14 are referred to in this report as "originally filed" and are not annexed to this report*):

- ☒ the international application as originally filed/furnished
- ☒ the description:
- pages 1-11 as originally filed/furnished
- pages\* NONE received by this Authority on \_\_\_\_\_
- pages\* NONE received by this Authority on \_\_\_\_\_
- ☒ the claims:
- pages 12-16 as originally filed/furnished
- pages\* NONE as amended (together with any statement) under Article 19
- pages\* NONE received by this Authority on \_\_\_\_\_
- pages\* NONE received by this Authority on \_\_\_\_\_
- ☒ the drawings:
- pages 1-4 as originally filed/furnished
- pages\* NONE received by this Authority on \_\_\_\_\_
- pages\* NONE received by this Authority on \_\_\_\_\_

☐ a sequence listing and/or any related table(s) - see Supplemental Box Relating to Sequence Listing.

3. ☐ The amendments have resulted in the cancellation of:

- ☐ the description, pages \_\_\_\_\_
- ☐ the claims, Nos. \_\_\_\_\_
- ☐ the drawings, sheets/figs \_\_\_\_\_
- ☐ the sequence listing (*specify*): \_\_\_\_\_
- ☐ any table(s) related to the sequence listing (*specify*): \_\_\_\_\_

4. ☐ This report has been established as if (some of) the amendments annexed to this report and listed below had not been made, since they have been considered to go beyond the disclosure as filed, as indicated in the Supplemental Box (Rule 70.2(c)).

- ☐ the description, pages \_\_\_\_\_
- ☐ the claims, Nos. \_\_\_\_\_
- ☐ the drawings, sheets/figs \_\_\_\_\_
- ☐ the sequence listing (*specify*): \_\_\_\_\_
- ☐ any table(s) related to the sequence listing (*specify*): \_\_\_\_\_

\* If item 4 applies, some or all of those sheets may be marked "superseded."

## INTERNATIONAL PRELIMINARY REPORT ON PATENTABILITY

International application No.  
PCT/US05/04135**Box No. V Reasoned statement under Article 35(2) with regard to novelty, inventive step or industrial applicability; citations and explanations supporting such statement****1. Statement**

|                               |                    |     |
|-------------------------------|--------------------|-----|
| Novelty (N)                   | Claims <u>1-25</u> | YES |
|                               | Claims <u>NONE</u> | NO  |
| Inventive Step (IS)           | Claims <u>NONE</u> | YES |
|                               | Claims <u>1-25</u> | NO  |
| Industrial Applicability (IA) | Claims <u>1-25</u> | YES |
|                               | Claims <u>NONE</u> | NO  |

**2. Citations and Explanations (Rule 70.7)**

Claims 1-25 lack an inventive step under PCT Article 33(3) as being obvious over Basch et al. in view of Lawrence. Independent claims 1, 16, 14, 24 and 25 each lack an inventive step based on the prior art of either Basch or Lawrence, or a combination of the two references. Dependent claims 2-15 and 17-24 individually lack an independent step based on the prior art of either Basch or Lawrence, or in combination thereof.

The claimed invention concerns the request for authorization of a financial transaction such as a purchase of travel related services on credit terms requested of a specific financial institution.

Basch discloses financial risk prediction systems and methods therefor. Basch's data inputs include historical data associated with at least a first account issued to an account owner and historical transaction information for the first account. The method also includes generating a predictive model based at least on the historical data receiving a current transaction authorization request associated with the account on a first computing system, and generating a risk score by applying the predictive model to data associated with the current transaction authorization request. In one embodiment, the data inputs further include performance data that is at least partially indicative of past fraudulent activities associated with the first account and at least one other account held by the account owner (Abstract). The authorization method of the financial transaction between the merchant and the account holder of claim 1 as exemplary is disclosed by Basch in Col. 3, ll. 53-64. A typical section of supportive detail about the fraud-risk model disclosed by Basch is in Col. 11, ll. 47-65.

Lawrence discloses a travel related risk management clearinghouse. Computerized methods and systems for facilitating analysis and quantification of risk associated with a Travel Arrangement. A travel related risk management clearinghouse system associates informational artifacts with data descriptive of a travel arrangement and maintains a database to relate to risk criteria. In some embodiments it can also calculate a measurement of risk. The measurement, which can be a risk quotient or other rating based upon a weighted algorithm applied to the risk criteria, can be indicative of risk associated with the risk subject. Actions commensurate with a risk quotient can be presented to a user to facilitate management of risk associated with a particular entity or travel arrangement or other travel arrangement. A stored history can be created to mitigate adverse effects relating to a problematic travel arrangement. (Abstract). Using claim 1 as exemplary, Lawrence discloses overviews of the risk authorization process in [0007], [0008] and [0011]-ll. 1-3, and details of transaction variables to be submitted by the merchant to the authorizer in [0045].

It would have been obvious to an ordinary practitioner of the art at the time of Applicant's invention to have modified the art of Basch with the art of Lawrence in order to provide a computer automated method and system which processes a request for authorization of a financial transaction such as a purchase of travel related services on credit terms requested of a specific financial institution, motivated by a need for methods and systems which will utilize information to assist with risk management and due diligence related to travel arrangements (Lawrence, page 1, [0006]).

Claims 1-25 have industrial applicability as defined by PCT Article 33(4). They are useful for limiting the financial risks when payment for travel arrangements with non cash payment instruments is involved, such as payment through a credit card account.